

Message Text

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ACTION AF-10

INFO OCT-01 ISO-00 H-01 CIAE-00 DODE-00 PM-04 INR-07
L-03 NSAE-00 NSC-05 PA-01 PRS-01 SP-02 SS-15
USIA-06 AID-05 COME-00 EB-07 FRB-03 TRSE-00
XMB-02 OPIC-03 LAB-04 EPG-02 SIL-01 OMB-01 /084 W
-----050950Z 012518 /22

P 050831Z MAY 77
FM AMEMBASSY PRETORIA
TO SECSTATE WASHDC PRIORITY 7491
INFO AMCONSUL CAPE TOWN
AMCONSUL DURBAN
AMEMBASSY MAPUTO

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CAPE TOWN FOR EMBASSY

E.O. 11652: N/A
TAGS: PFOR, ECON, SF
SUBJECT: PRESS ARTICLE ON SOUTH AFRICAN-MOZAMBICAN ECONOMIC
COOPERATIONS - CONGRESSMAN DIGGS' REQUEST

REF: STATE 100268 (NOTAL)

1. OF THREE POINTS IN ARTICLE TO WHICH CONGRESSMAN DIGGS
REFERRED, SOUTH AFRICAN POSTS ARE ABLE TO MAKE FOLLOWING
COMMENTS ON FIRST TWO WHICH DEPT MAY WISH TO DRAW ON IN
ITS RESPONSE TO DIGGS. EMBASSY MAPUTO MAY ALSO HAVE
COMMENTS ON SECOND POINT.

A. THE CURRENT SYSTEM FOR PAYMENTS FOR MOZAMBICAN MINERS
WORKING IN SOUTH AFRICA INCLUDES A DEFERRED PORTION OF
APPROXIMATELY 60 PERCENT WHICH IS PAID DIRECTLY TO THE
MOZAMBICAN GOVERNMENT IN GOLD AT THE IMF "OFFICIAL" PRICE,
NOW \$42 PER OUNCE. IN ABOUT JULY 1977, IT IS EXPECTED THAT
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CHANGES IN THE IMF REGULATIONS WILL BE FORMALLY APPROVED
WHICH WILL ABOLISH THE "OFFICIAL" PRICE FOR GOLD. IN
JANUARY 1977, AN OFFICIAL OF THE SOUTH AFRICAN GOVERNMENT
STATED THAT WHEN THE IMF REGULATIONS WERE CHANGED, THE
SOUTH AFRICAN GOVERNMENT EXPECTED TO REVALUE ITS GOLD RESERVES
FROM THE CURRENT R29.50 PER OUNCE TO A LEVEL IN THE VICINITY
OF THE WORLD GOLD PRICE. THUS FAR NO ACTION HAS BEEN TAKEN

TO IMPLEMENT THIS ANNOUNCEMENT. IN FEBRUARY 1977, REPORTS IN SOUTH AFRICAN PRESS QUOTED AN UNNAMED OFFICIAL OF THE RESERVE BANK TO EFFECT THAT WHEN OFFICIAL GOLD PRICE WAS ABOLISHED AND RESERVES REVALUED, GOLD PAYMENTS TO MOZAMBIQUE COULD BE EXPECTED TO BE MADE AT WORLD MARKET PRICE. HOWEVER, OFFICIALS OF SOUTH AFRICAN DEPARTMENT OF FOREIGN AFFAIRS HAVE NOT CONFIRMED THESE REPORTS AND HAVE INDICATED THAT THEY DO NOT AT THIS POINT REPRESENT OFFICIAL SOUTH AFRICAN GOVERNMENT POSITION.

B. AS REGARDS THE STATEMENT IN THE SECOND POINT THAT THE SAG IS DISCOURAGING THE USE OF THE PORT OF MAPUTO BY SOUTH AFRICAN SHIPPERS, THE INFORMATION AVAILABLE TO THE EMBASSY INDICATES THAT ON THE CONTRARY THE SAG IS CONTINUING ITS POLICY OF ACTIVELY ENCOURAGING THE USE OF MAPUTO BY SHIPPERS. AT THE SAME TIME, THERE IS EVIDENCE THAT, DUE TO PROBLEMS OF DELAYS AND RESULTING HIGHER COSTS IN MOVEMENT OF GOODS THROUGH MAPUTO, THE RELUCTANCE OF SHIPPERS TO USE THE PORT IS INCREASING. NELSON

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